

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4300-01  
Bill No.: HB 1777  
Subject: Crimes and Punishment; Law Enforcement Officers and Agencies  
Type: Original  
Date: February 21, 2002

---

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	Less than (\$100,000)	Less than (\$100,000)	Less than (\$100,000)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>Less than (\$100,000)</b>	<b>Less than (\$100,000)</b>	<b>Less than (\$100,000)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

**FISCAL ANALYSIS**

## ASSUMPTION

Officials from the **Office of the Governor, Department of Public Safety – State Highway Patrol**, assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Office of Prosecution Services** assume prosecutors could absorb the costs of the proposed legislation within existing resources.

Officials from the **Office of Prosecution Services** assume existing staff could provide representation for these cases arising where indigent persons were charged with criminal profiteering or the revised crime of making a terrorist threat. Last FY, the State Public Defender System did not provide any representation in making a terroristic threat cases. However, passage of more than one bill increasing penalties on existing crimes or creating new crimes would require the State Public Defender System to request increased appropriations to cover the cumulative cost of representing indigent persons accused in the now more serious cases or in the new additional cases.

Officials from the **Department of Corrections (DOC)** assume they cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost either through incarceration (FY01 average of \$35.78 per inmate per day, or an annual cost of \$13,060 per inmate) or through supervision provided by the Board of Probation and Parole (FY01 average of \$3.34 per offender per day, or an annual cost of \$1,219 per offender).

The DOC is unable to determine the number of additional inmate beds that may be required as a consequence of passage of this proposal. Estimated construction cost for one new medium to maximum security inmate bed is \$55,000. Utilizing this per-bed cost provides for a conservative estimate by the DOC, as facility start-up costs are not included and entire facilities and/or housing units would have to be constructed to cover the cost of housing new commitments resulting from the cumulative effect of various new legislation, if adopted as statute.

ASSUMPTION (continued)

In summary, supervision by the DOC through probation or incarceration would result in additional unknown costs to the department. Eight (8) persons would have to be incarcerated per fiscal year to exceed \$100,000 annually. Due to the narrow scope of this new crime, it is assumed the impact would be less than \$100,000 per year for the DOC.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>GENERAL REVENUE FUND</b>			
<u>Costs – Department of Corrections</u> Incarceration/Probation costs	Less than <u>(\$100,000)</u>	Less than <u>(\$100,000)</u>	Less than <u>(\$100,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b>Less than <u>(\$100,000)</u></b>	<b>Less than <u>(\$100,000)</u></b>	<b>Less than <u>(\$100,000)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

FISCAL IMPACT - Small Business

The proposal could have a fiscal impact on small businesses that exercise unfair leverage when selling essential consumer merchandise during a state of emergency.

DESCRIPTION

The proposed legislation would make it unlawful to use unfair leverage in the sale of essential consumer merchandise during a consumer market disruption due to weather, natural disaster, civil disorder, or other specified emergencies. Prima facie evidence of unfair leverage would include a showing of a gross disparity between the price at which the seller sold the merchandise and the seller's price for similar merchandise before the market disruption or a gross disparity between the price at which the seller sold the merchandise and the price at which comparable merchandise was available in the area at the same time. Prima facie evidence may be rebutted by the seller by a showing that the seller did not exercise unfair leverage. Persons who exercise unfair leverage would be liable for restitution to consumers, a civil penalty to the State of Missouri, and may be subject to civil action commenced by the Attorney General.

DESCRIPTION (continued)

The proposal would authorize the Governor to declare a consumer emergency by executive order if a consumer market disruption exists and specifies what the order must include.

The proposal would create the crime of criminal profiteering. Criminal profiteering is defined as knowingly or recklessly selling essential consumer merchandise at a profit margin over 10% greater than the seller's profit margin for similar merchandise before a consumer market disruption. Criminal profiteering would be a class D felony.

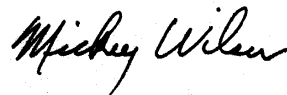
The bill would revise the current crime of making a terrorist threat. It would remove existing language that defines making a terrorist threat as threatening to commit a felony or making a false report about the commission of a felony and replaces it with threatening to commit or making a false report about an incident or condition involving danger to life. It would make certain technical changes.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This legislation would not affect Total State Revenue.

SOURCES OF INFORMATION

Office of the Governor  
Office of State Courts Administrator  
Department of Corrections  
Department of Public Safety  
    – State Highway Patrol  
Office of Prosecution Services  
Office of State Public Defender

**NOT RESPONDING:**       **Office of Attorney General**



Mickey Wilson, CPA  
Acting Director

February 21, 2002